

# Get Your CANS Here

## Hot Topics in School Nutrition

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# Agenda

Unpaid Meal Charge Policy

Procurement: Dos and Don'ts

Buy American Requirement

Using a Market Basket in Procurement

# Unpaid Meal Charge Policy

- School Meal Programs Goal: to provide nutritious meals to kids during school
- Not all children qualify for free meals
- Unpaid meals is a complex issue
- SFA's must balance providing meals for kids who can't pay and maintain program financial viability

- Many schools deal with a high dollar amount of unpaid meals
- USDA **required** an **Unpaid Meal Policy** to be in writing by July 1, 2017 (USDA FNS Memo SP 46-2016)
- SFAs must distribute policy to all households at start of school year and student transfers
- Written policy also must include how delinquent debt will be collected



# **NSLP Average Daily Participation:**

Nearly 100,000 schools/institutions serve school lunches to 30 million students each day, including:

- 2 million reduced price lunches (student pays \$0.40)
- 8 million full price lunches
- 20 million free lunches
- 4.9 billion lunches are served annually



(Source: USDA FY 2017 preliminary data)

# **Unpaid Meal Charge Policies** are left to the discretion of each SFA

School Food Authority (SFA) may:

- Allow charging of reimbursable meals or limit charges
- Offer reimbursable meals, serve alternate meals, or withhold meals
- ✓ Same for all student grades or vary by student grade
- ✓ Only alternate meals that meet meal pattern requirements are reimbursable



## USDA encourages SFA's to keep these goals in mind when writing an **Unpaid Meal Charge Policy**

- Feed nutritious meals to help students stay focused during the school day
- Maintain integrity of the non-profit school food service account (fund 51)
- Protect identification and prevent the embarrassment of students that cannot pay for school meals



Your policy  
should not be a  
source of

**Student  
Distress &  
Shame in the  
Lunch Room**



# Prevent Student Embarrassment

- Communicate discreetly
  - Good: Mail, Email, Text, Phone Calls, Autodial Messages to parents
  - Not Good: Announcing names, hand stamps, throwing meal away in front of students
- Find a way to talk to student before entering cafeteria
- Investigate with State agency to move the point of service meal count station

# Policy Buy-In and Communication

- Allow stakeholders to have a voice in policy development
- Policies must be communicated to families at the beginning of year and for student transfers
  - More frequent communication is best!
- Communicate policy to everyone working at the school
- Allow stakeholders to participate in policy updates

## New Mexico Outlaws School 'Lunch Shaming'

### *Utah: School Takes Lunches From Students in Debt*

By THE ASSOCIATED PRESS JAN. 30, 2014

#### Education

Parents say about 50 elementary student lunches thrown out because money was ( lunches costing about \$3 were taken from arrived at a pay station after receiving the District said the move came after it realized Elementary owed money for previous lunches and said it was working to make sure the action was not repeated. A district

spokesman, Jason Olsen, said the lunches were thrown out because they

could  
awa  
have

# School lunch worker quits after being forced to refuse hot meal to poor student

## School lunch shaming: Inside America's hidden debt crisis

### 'Lunch Shaming' Continues Through Schools Across the Country



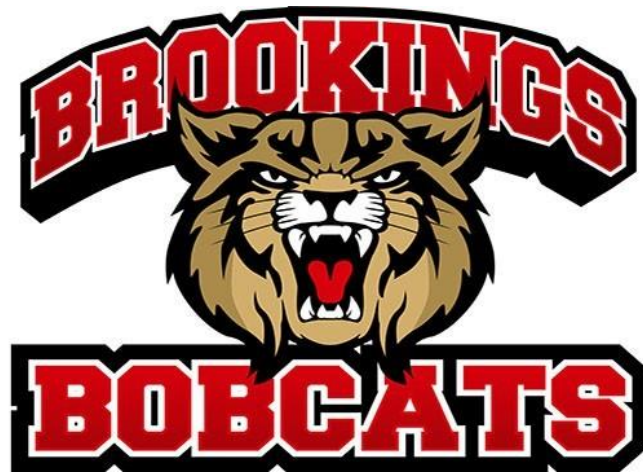
Don't let your meal charge policy be your school's source of shame

## FAMOUS IN A SMALL TOWN?



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# Brookings Policy & Guidelines



# Payment Options

- Online
- Child's school
- Administration Office



# Balance Notification Settings

- Email
- Text
- Cashier's notification
- Written notification
- Phone calls



# Negative Balances

- Spending limit
- A la carte purchases
- Alternate meal?
- Reached the limit, now what?





# Refunds

- Define the process



# Food for Thought

- “Caring Account” or “Angel Fund”
- Sources of donations
- Community awareness



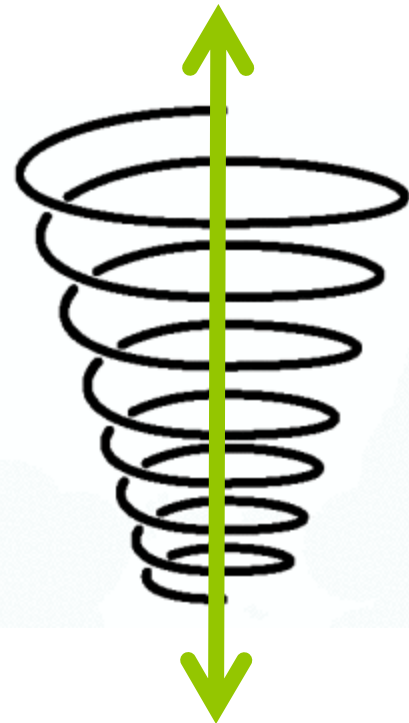
# Food for Thought Guidelines

- Record transactions!
- Set limits



# Legislation

- Anti-Lunch Shaming
- Who would cover the debt?
- Past & Looking Ahead



# Procurement – Do's and Don'ts



# Procurement - Do I? Don't I?

- Ethical
  - Fair
  - Open
  - Honest



- Federal Law – 2 CFR 200 (Food/Perishables)
- State Law – SDCL 5-18A-14 (Services)
- State Law – SDCL 5 18A-22(12) (Supplies)

# Code of Conduct

- No one person can benefit
- Excuse yourself if involved
- District requirements
- Gratuities, favors or anything of monetary value
- What's your line in the sand?

2 CFR 200.318

# Ethics

- Stay out of the newspaper
- Gifts and donations
- Prizes





# Procurement Plan: 5 methods

1. Micro-purchasing <\$3,500
2. Informal / Small Purchase
  - <\$150,000 Food/Perishables
  - <\$25,000 Services and Supplies
3. Formal / Large Purchase: Invitation for Bid (IFB)
  - \$150,000 and above Food/Perishables
  - \$25,000 and above Services and Supplies

# Procurement Plan: 5 methods

*continued*

5. Formal / Large Purchase: Request for Proposal (RFP)
  - \$150,000 and above Food/Perishables
  - \$25,000 and above Services and Supplies
6. Sole Source



# Procurement Plan

- Give specifics
  - Who, What, Where, When, Why, and How
- Guidelines
  - Federal
  - State
  - District



# Think Before You Act

- Be intentional
- Think it through
- Federal funds = High Standards
- Transparency
  - Prices are not proprietary
  - Menus are not proprietary



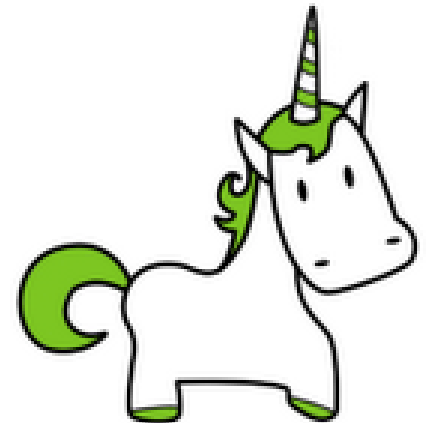
# Always Use an Approved Method

- Even for Special Situations
  - Food Show Specials
  - Different time of the year
  - Salesman monthly flyers
  - Local store sales

**BIG  
SALE**

# Be Unique

- Assess all aspects of what you need
  - What do you need?
  - What is the goal?
  - What is the scope of work?
  - What is your timeline?
  - Are there technical requirements?
  - Who is the point of contact?



# What's the Weather?

- Forecast
  - Timeframe
  - Inventory on hand
  - USDA foods for next year
  - Menu changes
  - Population changes





# Follow through...

## **Buy What You Said You Would, From Who You Said You Would**

- Change happens
  - Talk to your vendor
  - Criteria for revoking an award should be in original solicitation
  - Vendors and producers are impacted by your decisions



# Any and All

- Everything you expect must be spelled out
- All vendors have the same opportunities
- Request For Proposal (RFP)
  - Can allow vendors to indicate special programs that are available, etc.
  - Must identify how these items will be evaluated and weighted



# Buy American

- Domestic commodity or product
- An agricultural commodity that is produced in the U.S.

**and**

- A food product that is processed in the U.S. substantially using agricultural commodities produced in the U.S.
- Substantially is 51%



# Buy American

*continued*

- Include Buy American language in all procurement methods
- Documentation required
- References
  - USDA Memo SP 38-2017
  - CANS SNP memo 251-1



# Market Basket

- A representative sample or cross section of items that operators wish to buy
- Use to evaluate responses and award contracts
- USDA FNS Memo SP 04-2018



# Market Basket

- Should represent at least 75% of the value of the contract
- Market Basket language must be written in the solicitation
- All items need a specification and a price
- Additional goods or increased quantity
  - Use appropriate methods to purchase



# How Do You Say It?

## Sample Language

“The Market Basket Analysis sample is established to represent [75] % of the total estimated value of the contract to be awarded. The most recent velocity/sales report from our current supplier(s) was used to project the balance of the year and adjusted for any estimated change in menu and participation for the following year. As a result, the list of [100] goods to be purchased under the solicitation includes the top [60] goods purchased by dollar volume representing the [75] % threshold. Prices for the remaining [40] goods listed in the solicitation should also be included, though they will not be a part of the market basket analysis.”

# Adding Goods or Increased Quantity

- When changes are needed for an existing contract
- The addition/change is limited to a total value from the beginning of the contract period
- Change or Additional products limited to 5-10% of contract value
- Language must be written in solicitation
- If the changes cost more than 5-10% a separate solicitation must be completed

# How Do You Say It?

## Sample Language

“During the term(s) of a contract awarded under this solicitation, additional purchases not included in this solicitation list and resulting awarded contract may become necessary and benefit the Program. Both parties agree that the aggregate value of added purchases during each year of the contract, if renewable, shall not exceed [10] % of the estimated total value of the contract. The total value of the contract must be agreed upon and the dollar value listed in every contract and contract renewal. Such additions may be included in the awarded contract list during the contract renewal through a contract amendment, and the total contract value adjusted accordingly. For each contract renewal, the total actual value of the contract in the preceding year and the additions made during the contract term, will be the basis for determining the maximum dollar amount (not to exceed [10]%) of additional goods that will be allowed during the next contract renewal year.”



# Market Basket

- Contract renewal –
  - Additional goods must be included in contract amendment.
  - Contract value must be established to include additional items.
    - Can increase or decrease (forecasting!)
- Documentation – keep it!

# Resources



**Annual State Conference**  
**Watertown, SD**  
**July 24-26, 2018**

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**south dakota**  
**DEPARTMENT OF EDUCATION**  
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**I N S T I T U T E   O F**  
*child nutrition*  
RESOURCES • TRAINING • RESEARCH

# Hot Topics in School Nutrition

## ASBO April 2018

Training credit

- Key Area:
  - 2 Operations: 2400 Purchasing & Procurement, 2.5 hours
  - 3 Administration: 3320 Compliance with Regulations & Policies, 30 minutes